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**NEWNORTH GOLD MINES
LIMITED**

Annual Report

For the Year Ended December 31st,

1966

NEWNORTH GOLD MINES LIMITED

Annual Report

For the Year Ending December 31st, 1966

DIRECTORS

| | | |
|--------------------|-----------|------------------|
| P. C. FINLAY, Q.C. | - - - - - | Toronto, Ontario |
| H. HUNTER | - - - - - | Toronto, Ontario |
| R. T. MacALPINE | - - - - - | Toronto, Ontario |
| FRED G. BRISCOE | - - - - - | Toronto, Ontario |
| J. F. LAKE, Q.C. | - - - - - | Toronto, Ontario |

OFFICERS

| | | |
|--------------------|-----------|---------------------|
| P. C. FINLAY, Q.C. | - - - - - | President |
| H. HUNTER | - - - - - | Secretary-Treasurer |

SOLICITORS

Holden, Murdoch, Walton, Finlay, Robinson, Pepall & Harvey
Toronto — Ontario

TRANSFER AGENT AND REGISTRAR

Crown Trust Company
Toronto — Ontario

HEAD OFFICE

601 Concourse Building
Toronto — Ontario

NEWNORTH GOLD MINES LIMITED

Directors' Report

To the Shareholders:

Your Directors submit herewith for your approval, copy of your Company's Balance Sheet as at December 31, 1966, duly certified by your Company's Auditors, together with Statement of Exploration and Development including Head Office and Administrative Expenses, Statement of Deficit and Statement of Source and Application of Funds, for the year ended December 31, 1966.

The Prospecting License covering certain lands in Tipperary County, Eire, held by The Tipperary Metal Mines Limited, in which your Company holds a 75% interest, was renewed, and in the latter part of 1966 under the direction of Scope Mining and Exploration Consultants Limited, after all previous exploration data was reviewed, geological mapping of the entire concession area was undertaken and base field maps prepared. Geochemical soil surveys were carried out over an area of approximately six square miles in the south west portion of the area where previous exploration indicated the presence of base metal sulphides. The Company's Consultants are correlating the geological and geochemical data with the drilling and geophysical work completed prior to the present program. Further work will depend on the recommendations of this Company's Consulting Engineers.

The 15-claim group in the Pine Point Area of the Northwest Territories, acquired by your Company in 1965, was allowed to expire inasmuch as results obtained on surrounding properties were unfavourable.

Although no work was completed on your Company's 12-claim group in Jessop Township, Porcupine Mining Division, Province of Ontario, these Mining Claims have been maintained in good standing, and no further work is planned for this year unless new finds are made on adjoining properties.

On behalf of the Board,

P. C. FINLAY,
President.

Toronto, Ontario,
April 24, 1967.

NEWNORTH GOLD

Balance Sheet as at

ASSETS

Current

| | 1966 | 1965 |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Cash | 3,231 | 15,264 |
| Accounts receivable | 279 | 2,569 |
| Government of Canada bonds, at cost (quoted market value 1966 — \$79,760, 1965 — \$79,040) | 79,440 | 79,440 |
| | <hr/> | <hr/> |
| | 82,950 | 97,273 |
| Shares in mining companies, at cost: | | |
| Listed (quoted market value 1966 — \$2,884, 1965 — \$3,436) | 5,968 | 5,968 |
| Other | 2,392 | 2,392 |
| | <hr/> | <hr/> |
| | 8,360 | 8,360 |
| Investments in and advances to subsidiary company, Tipperary Metal Mines Limited: | | |
| Investments in shares, at cost | 6,001 | 6,001 |
| Advances (Notes 1 and 2) | 47,031 | 45,644 |
| | <hr/> | <hr/> |
| | 53,032 | 51,645 |
| Mining properties | | |
| 50% interest in Prospecting License, Silvermines Area, Ireland, at cost | 5,000 | 5,000 |
| 12 mining claims in Jessop Township, Ontario — acquired for \$10,800 cash and 100,000 shares of capital stock at 20¢ per share | 30,800 | 30,800 |
| | <hr/> | <hr/> |
| | 35,800 | 35,800 |
| Other | | |
| Deferred exploration and development, including head office and administrative expenses | 44,299 | 44,174 |
| Sundry accounts receivable | 5,779 | 4,681 |
| Mining equipment, at cost | — | 552 |
| Incorporation and organization | 5,264 | 5,264 |
| | <hr/> | <hr/> |
| | 55,342 | 54,671 |
| | <hr/> | <hr/> |
| | <u>\$ 235,484</u> | <u>\$ 247,749</u> |

The accompanying Notes are an integral part of these financial statements.

AUDITOR

To the Shareholders,
Newnorth Gold Mines Limited.

We have examined the balance sheet of Newnorth Gold Mines Limited as at December 31, 1966, and the Statement of Income and Expenses, and Statement of Deficit for the year ended on that date. Our examination was based upon the records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the attached balance sheet and accompanying Statements of Income and Expenses for the year ended December 31, 1966, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles, present fairly the financial position of the company as at December 31, 1966, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles.

Our examination also included the accompanying Statement of Source and Application of Funds for the year ended December 31, 1966.
Toronto, Canada,
March 10, 1967.

MINES LIMITED

December 31, 1966

| | LIABILITIES | 1966 | 1965 |
|----------------------------------------|------------------|--------------------|--------------|
| Current | | | |
| Accounts payable and accrued charges | | <u>5,622</u> | <u>4,861</u> |
| Capital Stock | | | |
| Authorized: | | | |
| 5,000,000 shares of \$1 par value each | | <u>\$5,000,000</u> | |
| Issued and fully paid: | | | |
| 4,400,005 shares | 4,400,005 | 638,505 | 638,505 |
| Discount | <u>3,761,500</u> | | |
| Deficit | 408,643 | <u>395,617</u> | |
| | | <u>229,862</u> | 242,888 |

Approved on behalf of the Board,

P. C. FINLAY, Director.

H. HUNTER, Director.

§ 235,484 § 247,749

1 statements and should be read in conjunction therewith.

REPORT

per 31, 1966 and the Statement of Exploration and Development, including Head Office and
ation included a general review of the accounting procedures and such tests of accounting

on and Development, and Deficit present fairly the financial position of the company as at
ce with generally accepted accounting principles applied on a basis consistent with that of

n of Funds which, in our opinion, presents fairly the sources and applications of funds of

EDDIS & ASSOCIATES,
Chartered Accountants.

NEWNORTH GOLD MINES LIMITED

**STATEMENT OF EXPLORATION AND DEVELOPMENT
INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES
For the Year Ended December 31, 1966**

| | 1966 | 1965 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| Exploration and Development | | |
| Silvermines Area, Ireland | | 1,381 |
| Drilling | 125 | 347 |
| Consulting fees | | 347 |
| Pine Point Area, Northwest Territories | | |
| Engineer's report | 500 | |
| Sundry expenses | 284 | |
| Jessop Township, Ontario | | |
| Sundry expenses | | 27 |
| | 909 | 1,755 |
| Head Office and Administration | | |
| Filing fees and taxes | 30 | 30 |
| Legal and audit | 1,761 | 3,207 |
| Office services, rent, telephone, etc. | 600 | 600 |
| Shareholders' information | 448 | 200 |
| Transfer agents' fees | 552 | 396 |
| | 3,391 | 4,433 |
| Less: Investment income | 3,700 | 1,772 |
| | (309) | 2,661 |
| Total expenditures for year | 600 | 4,416 |
| Add: Balance at beginning of year | 44,174 | 39,758 |
| | 44,774 | 44,174 |
| Expenditures on abandoned properties transferred to deficit | 475 | |
| Balance at end of year | <u><u>\$ 44,299</u></u> | <u><u>\$ 44,174</u></u> |
| LOCATION | | |
| Silvermines Area, Ireland | 17,374 | 17,249 |
| Jessop Township, Ontario | 26,925 | 26,925 |
| | <u><u>\$ 44,299</u></u> | <u><u>\$ 44,174</u></u> |

**NOTES TO FINANCIAL STATEMENTS
As at December 31, 1966**

- Note 1. Tipperary Metal Mines Limited, a subsidiary company, is engaged in exploration of mining concessions in Ireland, and accordingly did not report either a profit or loss up to December 31, 1966. Advances to that company to date have been expended in its exploration programme.
- Note 2. The investment in and advances to the subsidiary company are carried at cost although the status of the prospecting licenses is uncertain. The company has applied for renewals but has not been notified by the authorities of their issue.

NEWNORTH GOLD MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS For the Year Ended December 31, 1966

| Source of Funds | 1966 | 1965 |
|---------------------------------------------------------------------|------------------|-----------------|
| Investment income | <u>3,700</u> | <u>1,772</u> |
| Application of Funds | | |
| Exploration and development | 909 | 1,755 |
| Head office and administrative expenses | 3,391 | 4,433 |
| Advances to subsidiary company | 1,387 | 625 |
| Purchase of mining claims in Pine Point Area, Northwest Territories | 12,000 | |
| Increase in sundry accounts receivable | 1,097 | 4,681 |
| | <u>18,784</u> | <u>11,494</u> |
| Decrease in working capital | <u>\$ 15,084</u> | <u>\$ 9,722</u> |

WORKING CAPITAL

| | | |
|--------------------------------------|------------------|------------------|
| Working capital at beginning of year | 92,412 | 102,134 |
| Decrease, as above | <u>15,084</u> | <u>9,722</u> |
| Working capital at end of year | <u>\$ 77,328</u> | <u>\$ 92,412</u> |

STATEMENT OF DEFICIT For the Year Ended December 31, 1966

| | 1966 | 1965 |
|--------------------------------------------------------------------|-------------------|-------------------|
| Balance at beginning of year | <u>395,617</u> | <u>231,382</u> |
| Add: | | |
| Mining claims in Pine Point Area, Northwest Territories, abandoned | 12,000 | |
| Exploration expenditures on abandoned properties | 475 | 164,235 |
| Mining equipment written off | 551 | |
| Balance at end of year | <u>\$ 408,643</u> | <u>\$ 395,617</u> |

